

Election to Participate in DROP

The participation period for DROP is for a minimum of three years, but not more than five years. Once the member has completed the three-year minimum requirement and terminated employment, he or she is eligible to receive either a lump-sum payment or make a direct rollover of the entire account to a qualified plan. A DROP participant may terminate DROP anytime between three years and five years (for example, three years and eight months or four years and three months). The termination date must be the last day of a month. No payment can be made unless the member ceases employment.

A penalty will result for members who **voluntarily** terminate employment or withdraw from DROP in the first three years of DROP participation. There is no penalty for **involuntary termination, disability, involuntary transfer of his or her spouse, or death of the participant** in the first three years.